**JOINT ASX AND MEDIA ANNOUNCEMENT**

10 August 2005

The Manager
Australian Stock Exchange Limited ("ASX")
Company Announcements Office

No. of pages: 4

Dear Sir

**C$2.5 MILLION JV WITH WESTERN CANADIAN COAL CORP**
**TO DEVELOP BRITISH COLUMBIAN COAL PROJECT**
**AND**
**APPOINTMENT OF DIRECTORS**

## Joint Venture

The Directors of Wasabi Energy Limited (ASX:WAS) are pleased to advise that the Company has entered into a joint venture agreement with Western Canadian Coal Corp ("WCC"), a successful mining house listed on the Toronto Stock Exchange (TSX) and the Alternative Investment Market of the London Stock Exchange (AIM), to explore and develop the Lillyburt Coal Project located in south east British Columbia.

Under the terms of the agreement, Wasabi has the right to earn up to 50% of the thermal coal Project having invested C$2.5 million by December 2008. The Company will earn 5% in the joint venture for each C$250,000 expended. The joint venture is subject to Wasabi shareholder approval that will be sought at a meeting to be held during September.

Wasabi Energy Limited Director, Tim Wise, said the joint venture was an exciting opportunity driven by global demand for energy.

"The demand for energy continues to escalate and Wasabi will search for strategic investments in energy-related businesses to create shareholder value," Mr Wise said.

"WCC is backed by significant shareholders with a proven track record of developing highly successful coal ventures."

Western Canadian Coal Chairman John Byrne said the joint venture provided the necessary capital to progress the development of Lillyburt Coal Project.

"Lillyburt is a significant part of WCC's portfolio of Bristish Columbia coal properties. The coal project is a highly prospective asset, close to established infrastructure and with a ready made market," Mr Byrne said.

On behalf of Wasabi, WCC will commence an extensive exploration campaign to confirm the coal deposit's quality and volume estimates and to determine the economic potential of the project.

During the early 1980's, Shell Canada undertook exploration on the project identifying a deposit of thermal coal. The work included thirty-three drill holes totalling 6,278 metres and numerous trenches. Five potentially mineable seams were identified in a setting suitable for starting an open pit operation.

Wasabi will keep the market informed on the progress of the exploration campaign.

wasabi energy

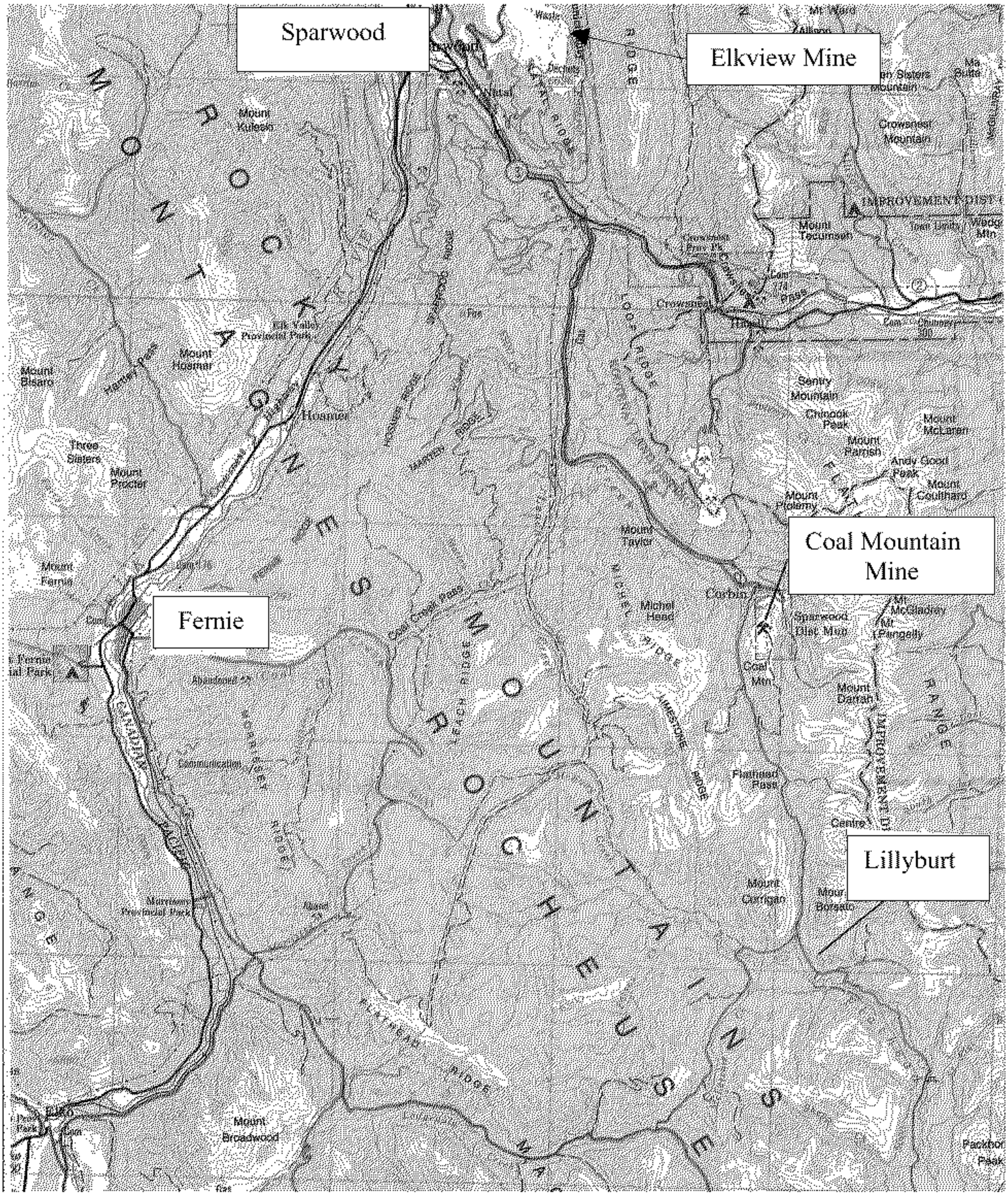


**Figure 1:** Location map, 1:250,000 scale, showing the Lillyburt property in relation to Fernie, Sparwood, and the Coal Mountain and Elkview mines.

## About Western Canadian Coal Corp

Western Canadian Coal Corp. is a publicly traded company listed on the Toronto Stock Exchange (TSX) and the Alternative Investment Market of the London Stock Exchange (AIM) with its offices located in Vancouver, British Columbia, Canada. WCC's focus is on bring into production a high quality, low cost portfolio of assets in British Columbia, Canada that take advantage of existing infrastructure. The company's most developed assets are the Dillon open-pit mine and Perry Creek open-pit and underground deposits located in northeast British Columbia. WCC also has a number of other properties located in southeast British Columbia, including Lillyburt, which are at a less advanced stage of development.

Visit: www.westerncoal.com/

## Appointment of Directors

The Board of Wasabi is pleased to advise the appointment of two new directors, Mr Bob Reynolds and Mr Robert Vallender.

Mr Reynolds (Master Eng.(Mining)) is mining engineer with more than 30 years experience in Australia and overseas in coal marketing as well as coal mining management and engineering. Mr Reynolds is a consultant providing marketing advice and services to a number of national and international coal producers. Mr Reynolds past experience was with Southland Coal, Oceanic Coal and BHP.

Mr Vallender is a B Comm. with 30 years of management and new technology product development experience in Australia and North America. Mr Vallender is a consultant providing independent marketing and capital project sales advice to the Australian and European iron and steel and primary metals industries. He has dealt with major manufacturers and producers including Alcoa, U.S. Steel, and General Motors.

The Board intends, subject to shareholder approval, to grant five million options to both Mr Reynolds and Mr Vallender. The options will have an exercise price of 5 cents each with an expiry date two years from the date of issue.

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